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ABSTRACT

In September 1984, the Office of the Chancellor for California Community Colleges conducted a telephone survey to determine whether patterns in student aid delivery were related to patterns of enrollment change. A sample of 31 colleges were questioned regarding their utilization of the Board's Finance Assistance Program, financial aid staffing and aid administration, numbers of financial aid applicants and recipients compared to the previous year, public information, and deferral policies. The colleges surveyed enrolled 369,407 students in fall 1983, and awarded 11,593 Board Grants, 10,163 waivers, and 886 fee credits. If these award levels are taken at face value, Board Grants were awarded at 60% of the expected number, waivers at 38%, and credits at only 3%. The study also revealed: (1) in 19 of 31 colleges, financial aid applications broadly reflected enrollments; (2) of the 10 colleges which administered the waiver and fee credit programs in the offices of admissions and records, only 1 showed financial aid application increases; (3) colleges reported particular difficulties in administering Board financial aid; (4) public information efforts appeared to have been strong in many districts, but weak in others; and (5) given the continuation of staffing, public information, and state operational support at current levels, it was projected that the state financial aid objectives might not be met. Policy implications of study findings are discussed. (LAL)

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CHANCELLOR'S REPORT

Board Financial Aid:
A Preliminary Report

Presented to the
Board of Governors of the
California Community Colleges

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IC 840 550

BOARD FINANCIAL AID: A PRELIMINARY REPORT

Financial Aid Survey

During the week of September 24-25, 1984, staff conducted a telephone survey regarding financial aid among the same 31 colleges which were contacted earlier to obtain general enrollment information. Questions covered utilization of the Board's Financial Assistance Program, financial aid staffing and aid administration, numbers of financial aid applicants and recipients compared to last year, public information, and deferral policies. Since the sample of colleges contacted was identical to the one used for the earlier enrollment survey -- which overall found a 9.8 percent enrollment decline -- staff hoped to discover if patterns in student aid delivery might be related to patterns of enrollment change.

Findings: Low Utilization of Board Aid

The colleges surveyed enrolled 369,407 students in the Fall of 1983, or approximately 37 percent of total community college students. In allocating funds for Board Financial Assistance, the Board utilized estimates of need derived from the 1980 census, which, in the case of the sample colleges, came to an estimated 29,180 Board of Governors' Grants, 40,287 public assistance waivers, and 49,182 Fee Credits (for students carrying fewer than 6 units). As a percent of all statewide Grants, Waivers, and Fee Credits, those allocated to the sample colleges came to 35 percent, 37 percent, and 33 percent, respectively.

As of September 28, the sample colleges had awarded 11,593 Board Grants, 10,163 Waivers, and 886 Fee Credits. Because, overall, about two-thirds of all financial aid awards are made during fall terms, staff would have expected -- if the 1980 census-based estimates are accurate -- that considerably more grants, waivers, and credits would have been awarded.

Instead, if the current award levels are taken at face value, Board grants were awarded at 60 percent of the expected number, waivers at 30 percent of the expected number, and credits at only 3 percent of the expected number.

A Preliminary Analysis

One possible explanation of the apparent low utilization of Board financial aid is that the original estimates of need were too high. This explanation would be justified if things had changed in the colleges between this year and last year in areas which strongly affect financial aid. Since many conditions affecting financial aid delivery have indeed changed, it is too early at this time to draw final conclusions about the size of need or about what is happening. But several clues are noteworthy.

A. Enrollments and Financial Aid

A reasonable expectation is that financial aid applications will broadly reflect enrollments. In the case of 19 colleges surveyed, this expectation was confirmed. There was no demonstrable change in the number of

students applying for financial aid in the two colleges where enrollments were essentially unchanged compared to last year. In the one college whose enrollments rose over last year, financial aid applications were also up. And in 16 colleges where enrollments fell an average of 13.6 percent, financial aid applications fell by an average of 36.8 percent. In short, for 62 percent of the colleges surveyed, financial aid applications varied directly with enrollment changes.

But in nine colleges whose enrollments fell by an average of 12 percent, financial aid applications actually increased by an average of 35 percent. The explanation for this apparent anomaly is not at all clear, but it may be related to the way waivers and credits are administered.

B. *Staffing and Administration*

Of 27 colleges which were able to report on financial aid staffing, 7 colleges reported a short-term increase in hourly, temporary help; 4 reported that new regular staff would be added; 6 colleges reported no change in staffing; and 10 more colleges reported no change in financial aid office staffing, but did report that waivers and fee credits were being administered by the admissions and records offices.

Staff examined these findings for the 27 colleges whose enrollments fell and the differing levels of financial aid applications. No significant pattern of difference in financial aid office staffing was evident: schools in which staffing was unchanged experienced increases and decreases in financial aid applicants, as did schools in which hourly help was provided.

But a pattern of a different sort was apparent. Of the 10 colleges which administered the waiver and fee credit programs in the offices of admissions and records, only one showed financial aid application increases, while the other 9 were included among the 16 colleges whose financial aid applications decreased.

Further examination revealed that significantly more waivers and credits were being awarded when these programs were administered by admissions and records, but that significantly more students were applying for financial aid when waivers, credits, and Board grants were administered by the financial aid office.

The explanation given by most financial aid officers was that when the financial aid office administers all three Board programs, more students who come initially for waivers or credits end up applying for general financial aid, including Board grants; on the other hand, once students obtain the waivers or credits in the admissions office, they seem less likely to apply for additional financial aid. If accurate, this explanation contains important implications for State aid policies.

Finally, colleges reported additional difficulties in administering Board financial aid: implementing the programs for the first time according to Board regulations is often confusing; assistance from state staff is inadequate for answering questions and for assisting locally with training

and consultation; deferral policies seem to be creating large packaging backlogs; and workload "appears" overwhelming, even in cases where applications are down.

C. *Public Information and Deferrals*

Fee deferral policies were present in 30 of the 31 colleges surveyed, and, in nearly all of these cases, deferrals were limited to students who might be eligible for Board financial aid. This suggests broad acceptance of the Board's recommendation to districts that fee deferrals be limited to financial aid purposes. There is evidence however, that financial aid workload may increase later in the term as the deferrals are processed in financial aid offices.

The public information efforts concerning financial aid appears to have been strong in many districts but weak in others. It is clear that efforts can be strengthened.

The Chancellor's Office released a Student Financial Aid Sample Public Relations Packet, which contained several examples of successful promotion pieces used by some of the colleges. The Packet contained a sample: fact sheet, radio spot; news release; high school newspaper ad; high school poster; around-town flyer; personal letter from the college's president to graduating high school students; and a mail insert which could be mailed in welfare checks, Employment Development Department notices, Pacific Gas and Electric and telephone bills, etc.

The colleges were also encouraged to develop television public service announcements, run special articles in the student newspaper, hold high school orientations, send direct mailers to the community and put notices in the schedule of classes and on grade mailers.

From a sample of 31 representative colleges, we found the efforts to be varied but, overall, good. Most all the districts had put out press releases, posters, flyers, publicized financial aid in the student newspaper and schedule of classes. We also found that some colleges went even further and bought television and radio air time, set up special counseling booths in the registration line, and went directly to high school classes.

None of this is to say that we do not feel there is still more that can be done.

We have already begun to make plans to put out another Financial Aid Sample Packet, and contact the television stations for more time for our public service announcement.

The Chancellor's Office also put out three public service announcements designed to promote community colleges and let the general public know that financial aid is available for those who need it.

From a sampling of television stations, we found that about one-half of the stations played our spots. This is a much higher number than normally one could expect, since the stations get about 70,000 public service announcements turned into them a year. Of the stations which did not use our spots, several said they elected to use local community college public service announcements that they had received.

In general, television stations ran the spots from 8:00 a.m. to 5:00 p.m. and again late at night.

Policy Implications

While it is premature to reach any definite conclusions from the survey about the effectiveness with which the Board's new financial assistance program is meeting the Board's goals, several findings are worth highlighting as areas needing further study.

1. *Access, Efficiency and Retention:* It seems possible that administration of waivers and fee credits by admissions offices rather than by financial aid offices may be better for access but, at the same time, it may not be better for efficient use of Board financial aid in combination with other sources of student aid. Thus, under current circumstances -- insofar as the survey reveals them -- the Board's goals of access and efficiency may be operating at cross purposes. It also seems possible that student retention may be better achieved if applicants for waivers or credits end up obtaining general financial aid, as may be occurring at a higher rate when financial aid offices administer the full program. Again, while it is too early to tell, the initial findings suggest a closer look is needed at workload and inter-office work relations among colleges which split administration of Board grants from waivers and credits compared to colleges that do not.
2. *Staffing and Workload:* Adequate staffing appears to remain a problem for financial aid offices though effects of inadequate personnel seem mixed. A clue seems to be the workload that is "deferred" and the ability of local offices to catch up later in a manner timely enough to get financial aid to qualified needy students. More information on the mechanics of deferral and workload is needed.
3. *Public Information:* Little can be said about the extent and quality of public information efforts except that it appeared uneven across colleges and between campus and community directed efforts. More study is needed because it is at least possible that enrollments and student aid both declined overall due in part to lack of public information, misinformation, or confusion.
4. *State Operations:* Under provision of AB 3776, the Chancellor is requesting funding for staff support to administer the Board's financial assistance program. The need to respond to district questions, to conduct selected site validations and evaluations, and to prepare allocation adjustments is critical.

Overall, the delivery of Board financial aid to anticipate the impact of fees based upon a telephone survey of 31 colleges presents a mixed picture. On balance, however, staff believes there is cause for concern: in a solid majority of colleges, financial aid applications are steeply down; staffing at state and local levels is not adequate; and public information about financial aid aimed at communities seems inadequate. If conditions revealed by the survey are characteristic of all colleges, and if staffing, public information, and state operational support continues as they are, it is possible that the financial aid objectives of the Board and of AB 1XX will not be fully met. Projected statewide, for example, staff estimates from the survey indicate that total utilization of Board financial aid for 1984-85 will not exceed \$7 million -- less than half of the expected need.

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